

CULTIVATE HOLDINGS, INC.

(MRN281268)

BACKGROUND & APPLICATION OF INTENT REVIEW

1. Name of the Marijuana Establishment and its application number:

Cultivate Holdings, Inc. (MRN281268)

2. Address of the Marijuana Establishment:

1764 Main Street, Leicester, MA 01524

3. Type of license sought (if cultivation, its tier level and outside/inside operation):

Retailer

4. Applicant is a licensee or applicant for other Marijuana Establishment license(s):

Product Manufacturer (MPN281305)

Cultivation (MCN281266)

5. List of all required individuals and their business roles in the Marijuana Establishment:

Stephen Barber—Owner/Partner

Robert Lally—Owner/Partner

Samuel Barber—Manager

Jennifer Miller—Manager

6. List of all required entities and their roles in the Marijuana Establishment:

There are no entities, other than the applicant, that appear to have direct or indirect authority over the Marijuana Establishment

7. Priority status of applicant:

RMD Priority (RP201845)

8. Location and status of business if it is an RMD:

RMD is in compliance with the Department of Public Health (DPH).
RMD business will be co-located with the adult-use business in Leicester.
RMD has Final Certificate of Registration for dispensing, cultivation, and processing.

9. Information regarding Host Community Agreement certification:

Host Community Agreement was executed on April 30, 2018; certification provided.

10. Information regarding community outreach meeting:

Community outreach meeting was held on March 29, 2018.
Notice was published at least seven days prior in the Worcester Telegram and Gazette.
Applicant certified notice to the municipality and abutters.
Applicant certified compliance with meeting requirements.

11. Any objections regarding compliance with local ordinances and bylaws presented by municipality:

No objections communicated to the Commission. The Commission received a response from the municipality on June 20, 2018, stating that the applicant was in compliance with all local ordinances and bylaws.

12. Summary of plan to positively impact areas of disproportionate impact:

Applicant plans to do the following:

- a. Direct Giving—they are committed to donating a minimum of 10% of net profits to local charities once profitable;
- b. Local Sponsorship—they will provide sponsorship for regular, successful fundraising events for community organizations.
- c. Hiring Strategy—they are committed to creating a hiring model that intentionally employs vulnerable and disadvantaged individuals;

SUITABILITY REVIEW

13. Concerns arising from background checks on individuals associated with the application:

None.

14. Concerns arising from background checks on entities associated with the application:

None.

15. Applicant's disclosure of any past civil or criminal actions:

No disclosures.

16. Applicant's disclosure of any occupational license issues:

No disclosures.

17. Applicant's disclosure of any business interests in other jurisdictions:

No disclosures.

18. Status of applicant's compliance with the Department of Revenue and Secretary of the Commonwealth:

March 30, 2018 | Certificate of Good Standing, Secretary of the Commonwealth
April 3, 2018 | Certificate of Good Standing, Department of Revenue
(Letter ID: L1042083968)

MANAGEMENT AND OPERATIONS REVIEW

19. Applicant's proposed timeline to become operational in the adult-use market:

Applicant proposes to be operational immediately upon being granted a final license. Applicant is an existing RMD and states all needed human and capital expenditures to begin operations have already been made. In order to comply with the Commission's regulations, the applicant drafted amendments to its standard operating procedures which can be implemented upon issuance of a final license.

20. Applicant's proposed hours of operation:

Monday-Thursday: 10:00 am to 7:00 pm
Friday-Saturday: 10:00 am to 8:00 pm
Sunday: 10:00 am to 5:00 pm

21. Applicant's compliance with submitting summaries of the following plans, policies, and procedures:

- a. Security Plan
- b. Prevention of Diversion Plan
- c. Storage of Marijuana Plan
- d. Transportation Plan
- e. Inventory Procedures
- f. Quality Control and Testing Procedures
- g. Personnel Procedures
- h. Dispensing Procedures
- i. Record-Keeping Procedures
- j. Maintenance of Financial Records Policy
- k. Diversity Plan

The applicant is fully compliant with submitting all summaries. All summaries were determined to be substantially compliant with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160, as applicable. Full compliance will be reviewed during inspections and will be required before a final license is issued.

22. Summary of diversity plan:

The applicant's plan outlines its goals and includes the following:

- a. Diverse Employee Hiring Strategy—they seek to become a proactive leader in the Massachusetts business community by assembling a diverse team. The applicant designed a hiring process to mitigate staffing bias and judges the candidates solely on merit and potential. They will prioritize the hiring, training, and advancement of people from diverse socioeconomic backgrounds.
- b. Internal Diversity Goals—they seek to be inclusive in the hiring process and to offer service opportunities to diverse groups of vendors, suppliers, and contractors. The goal is to match or exceed the diversity of Leicester.
- c. Sensitivity Training—they will implement training programs as part of their onboarding process that will educate participants about cultural differences in the work place.

23. Summary of cultivation plan (if applicable)

Not applicable.

24. Summary of products to be produced and/or sold (if applicable)

Not applicable.

25. Plan for obtaining marijuana or marijuana products (if applicable)

The applicant currently operates an existing RMD with fully developed cultivation and production components. They applied for adult-use cultivation and product manufacturing licenses as well. The applicant plans to execute long term supply contracts with cultivators and producers in the scenario where the applicant is denied adult-use cultivation and production licenses.

RECOMMENDATION

Commission staff recommend issuing a provisional license subject to the following ongoing conditions:

- (1) All required individuals shall successfully complete a fingerprint-based check of state and national criminal history databases, and as applicable, another review of its suitability;
- (2) The applicant shall provide certification that it remains in compliance with DPH regulations, 105 CMR 725.000;
- (3) The applicant shall be subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160, as applicable;
- (4) The applicant shall be subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations;
- (5) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request;
- (6) The applicant shall pay the appropriate license fee pursuant to 935 CMR 500.005; and
- (7) The applicant shall demonstrate that it has otherwise complied with the statutory and regulatory requirements for final licensure.

This recommendation is based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and the evaluation of the thoroughness of the applicant's responses to the required criteria.

Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.